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Vermont Employment Rates High, But Wage Levels Low

Public Assets Institute And Carsey Institute Publish Brief On State Of Working Vermont

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DURHAM, N.H. -- Vermont enjoys higher-than-average workforce participation rates and the lowest unemployment in New England, but the state's wage levels remain well below regional standards and the workforce is aging, finds a new issue brief prepared by the Carsey Institute at the University of New Hampshire in partnership with the Public Assets Institute of Vermont. The brief, "The State of Working Vermont 2006," highlights trends related to the economic and labor force characteristics of Vermont's workers. It is produced in cooperation — and its release coincides — with the Economic Policy Institute's (EPI) national report, "The State of Working America 2005/2006."

"Vermonters are working, but the wages they receive are still below those in New England and the rest of the country," said Paul Cillo, president of the Public Assets Institute. "While the state has kept the minimum wage above the federal level and the state poverty rate is low, the continuing loss of good-paying manufacturing and information jobs is a real concern."

"With an aging workforce, the state may face difficulties as greater numbers of Baby Boomers begin to retire. It is clear that Vermont has an interest in keeping the state desirable for young and middle age workers," added Carsey Institute director Cynthia "Mil" Duncan.

Among the brief's primary findings:

- While Vermont's labor force participation, at 71 percent, compares favorably to the nation and other states in New England, it has declined since 1999 for all groups except older workers. Thus, one in five of the state's workers was 55 years of age or older in 2005. Further, participation among workers between the ages of 25 and 54 has dropped from 71 percent of the workforce in 1999 to 65 percent in 2005. "Other research documents similar trends, and some analysts are warning of a serious decline in the working age population in Vermont and the larger New England region," said brief author Allison Churilla, a policy fellow at the Carsey Institute and a Ph.D. candidate in sociology at UNH.
- Bolstered by gains of jobs in construction, education, and health services, Vermont

saw a two percent increase in job growth, the second-highest gain in New England (after Rhode Island at three percent). Like other states in the region, Vermont lost a significant number of jobs in the manufacturing and information industries.

- Despite a seven percent growth in its median wage since 2000 (\$14.13 in 2005), Vermont's median wage remains the second lowest in the region (behind Maine) and is below the national median wage of \$14.28. The gap in wage growth between high-wage and middle- and low-wage workers is significant – 32 percent versus 20 percent since 1979 – but has remained steady since 2000.
- Consistent with the rest of New England, Vermont's workforce is very well-educated. In 2005, one-third of the state's workers had a four-year college degree and almost 60 percent had some college education. Since the late 1980s, the gap in wage growth between workers with a college degree (31 percent growth) and a high school degree (seven percent growth) has been steady.
- Gender equity is on the rise in Vermont, which had the highest female labor force participation (66 percent) and lowest female unemployment rate (three percent) in the region in 2005. Women earned 87 cents to every dollar men earned in 2005, the highest earnings ratio in New England, but female median wages (\$13.27) were the second-lowest in the region, next to Maine.

Last week, the Carsey Institute released another issue brief, "The State of Working New Hampshire 2006," that provides a similar analysis of that state's labor statistics. Both briefs are available on the Carsey Institute's website at <http://www.carseyinstitute.unh.edu>.

Vermont's Public Assets Institute, established in December 2003, conducts research, performs fiscal analysis, disseminates information, and develops policies that apply the powers of government to improving the wellbeing of ordinary citizens, especially the most vulnerable.

The Carsey Institute at the University of New Hampshire conducts research and analysis on the challenges facing families and communities in New Hampshire, New England, and the nation. The Carsey Institute sponsors independent, interdisciplinary research that documents trends and conditions affecting families and communities, providing valuable information and analysis to policymakers, practitioners, the media, and the general public. Through this work, the Carsey Institute contributes to public dialogue on policies that encourage social mobility and sustain healthy, equitable communities.

The Carsey Institute was established in May 2002 with a generous gift from UNH alumna and noted television producer Marcy Carsey.